Hybrid CoE Research Report 9

China's hybrid influence in Taiwan: Non-state actors and policy responses

Hybrid CoE

Jukka Aukia – April 2023

Hybrid CoE Research Reports are thorough, in-depth studies providing a deep understanding of hybrid threats and phenomena relating to them. Research Reports build on an original idea and follow academic research report standards, presenting new research findings. They provide either policy-relevant recommendations or practical conclusions.

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Executive summary

Taiwan is at the forefront of Chinese Communist Party (CCP) hybrid aggression and is a testing ground for CCP hybrid threat tactics. Repressive tools that are tried and tested in Taiwan may eventually be used internationally. Taiwan is thus well placed to provide insights into CCP hybrid threat strategies and objectives.

Non-state actors (NSAs) allow the CCP to use hybrid threat tools abroad. This Hybrid CoE Research Report investigates Chinese NSAs in the Taiwanese context and local policy-level countermeasures, as well as their implications for other liberal democracies. It identifies key mechanisms for China's NSA-related influence in Taiwan (information influence, appealing to social trust/political relevance/economic benefits/religious sentiment) and considers their wider relevance.

Overall, the paper shows that while the goal of the CCP is to create economic dependencies between China and Taiwan, information remains a key domain in NSA-related influence. The primary modus operandi of the CCP in Taiwan is to influence external narratives about China and the Party, among others, through co-opting economic actors. This approach is reminiscent of CCP actions in other liberal democracies as well.

The paper further argues that through the shared cultural heritage and language, the CCP has knowledge about Taiwanese socio-political pressure points. Yet by putting in place tailored measures, Taiwan has had some success in strengthening local democratic resilience against NSA influence. For the Taiwanese state, proactive countering of disinformation, a two-way investment screening mechanism, and the use of civil society have produced results.

In this context, the paper highlights four key implications for the transatlantic community:

1) The Taiwanese experience shows that Chinese NSAs can also be countered in the transatlantic context. At the same time, it underlines challenges for democracies in developing policy responses: socio-cultural, political, and economic wedges inherently create vulnerabilities. Thus, for Western-style democracies, the development of joint situational awareness, as well as coordinated responses, is crucial.
2) Often, the CCP co-opts members of the Chinese diaspora as non-state actors to a national cause defined by the Party. While the relevance of the Chinese diaspora varies in different countries, an understanding and identification of NSA-related activity is vital for democratic states in countering hybrid threats. To co-opt the Chinese diaspora, the CCP uses a mechanism that appeals to social and kinship trust. Attention should thus be paid to the inclusion of the Chinese diaspora in democracy promotion. At the same time, non-conventional proxies stemming from organized crime should be of interest to those countries where the Chinese diaspora is large and wields considerable influence.
3) In the Western context, the CCP is still lacking cultural understanding. This often results in more coercive tactics backfiring. Given that cultural and language barriers form a natural defence system for most transatlantic countries, CCP information operations even appear rudimentary at times. However, it should be expected that, with the help of

advanced AI tools, the CCP will enhance its understanding of Western culture and pressure points, resulting in this natural barrier diminishing in time.

4) The very existence of Taiwan as a "Chinese democracy" works against the CCP's strategic narratives of the uniqueness of a Chinese civilization that can only be governed by an authoritarian central state. This is likely to have strengthened the CCP's resolve to undermine the Taiwanese democratic system and local faith in the legitimacy of its institutions. To varying degrees, the CCP wages comparable narrative warfare in other liberal democracies. The aim is to shift public opinion towards accepting authoritarianism while using societal polarization as a wedge. Western-style democracies, including Taiwan, should build joint situational awareness in countering also long-term influence that carves out moral space for narratives in support of authoritarianism.

Introduction

Along with other authoritarian states, the strategic rationale of the ruling Chinese Communist Party (CCP) is to promote its authoritarian worldview, while undermining democratic norms, morale, and decision-making. The aim is to secure regime preservation and "make the world safe" for authoritarianism. In fulfilling this agenda, the CCP introduces insecurities and creates hybrid threats for democratic states.

This rationale is supported by a strategic culture within the CCP that increasingly supports asymmetric and indirect tactics. The CCP has also directed more repressive and co-optive actions towards Chinese civil society, both domestically and internationally.

At the policy level, the CCP defines an extraterritorial ethnic-based nation-state (*zhonghua minzu*), including Taiwan and the diaspora, as belonging under China's control. At the operational level, the CCP co-opts members of the transnational ethnic communities – as non-state actors (NSAs) – to a common national cause defined by the Party.

While the relevance of Chinese diaspora in different countries varies, taken together, the above developments allow the CCP to use hybrid threat tools abroad. These include, but are not limited to, NSAs. Where and when successful, this may grant the CCP extraterritorial reach. Thus, an understanding of the CCP's NSA-related behaviour and the identification of NSA-related activity is vital for democratic states in countering hybrid threats.

In facing CCP hybrid aggression, Taiwan is situated at the forefront. The CCP recognizes that a "peaceful unification" on mainland terms is unachievable. While not renouncing the use of force to deter the Taiwanese independence movement,[1] the current wide-ranging hybrid threat activities of the CCP against Taiwan take place in various domains, including economic and military coercion, as well as information operations. Concurrently, instead of an all-out war, the People's Liberation Army (PLA) has announced that it could opt to maintain the conflict in a constant grey zone. This means that Taiwan could, to varying degrees, be "Lebanonized" into a failed state.[2]

In addition to the domestic setting, Taiwan also serves as a testing ground for mainland hybrid threat tactics. The repressive tools that are found effective domestically and in Taiwan may eventually be used internationally. Taiwan is thus well placed to provide insights into CCP hybrid threat strategies and objectives. In fact, several existing policy reports and academic studies investigate CCP aggression and Taiwanese countermeasures,[3] while the Republic of China *2021 Quadrennial Defense*

1 Tony Munroe and Yew Lun Tian, 'China sharpens language, warns Taiwan that independence "means war"', Reuters, January 8, 2021, https://www.reuters.com/article/us-china-taiwan-idUSKBN29X0V3.

2 According to the PLA, this would be "enough to force Taiwan authorities to readjust their radical policies". See *Global Times* April 2019: 'US has less cards to play in Taiwan Straits', http://english.chinamil.com.cn/view/2019–04/03/content_9467269.htm.

3 E.g. Doublethink Lab, 'Deafening Whispers. China's Information Operation and Taiwan's 2020 Election', October 2020, https://medium.com/dou- blethinklab/deafening-whispers-f9b1d773f6cd; Gerry Groot, *Managing Transitions: The Chinese Communist Party, United Front Work, Corporatism and Hegemony* (Abingdon: Routledge, 2004).

Review addresses grey zone conflicts.[4] A recent comprehensive IRSEM report on CCP influence addresses CCP operations and proxies in Taiwan, including causal mechanisms linking proxy NSA activities to political influence.[5]

This Hybrid CoE Research Report discusses Taiwan as a targeted society, as well as local countermeasures from the perspectives of NSAs. It sheds light on the CCP as a state sponsor of non-state actors, as well as the functioning of different non-state actors in Taiwan. The paper also discusses various mechanisms and channels for China's NSA influence and the main policy-level responses developed by the Taiwanese state and the local civil society. The report evaluates different conditions for China to achieve its desired outcomes and future developments, as well as the extent to which the Taiwanese experience can be generalized to the EU/NATO context.[6]

4 Taiwan's Quadrennial Defense Review, Ministry of National Defense ROC, September 3, 2021, https://news.usni.org/2021/09/03/taiwans-quadrennial-defense-review.

5 Paul Charon and Jean-Baptiste Jeangène Vilmer, 'Les opérations d'influence chinoises: Un moment machiavélien' [Chinese influence operations: A Machiavellian moment], IRSEM Report, Institut de recherche stratégique de l'École militaire (IRSEM), Paris, September 2021.

6 Including expert interviews, research for the report was conducted in Taipei in the summer of 2022.

Taiwan as a targeted society

The first step in identifying NSAs as a threat is to analyze the targeted society. Here, key questions and approaches include, but are not limited to:

1) What is the model for political organization in the targeted society?
2) Where do NSAs hold particularly powerful positions by themselves or through networks?[7]

Given that Taiwan is culturally and linguistically close to the mainland, local CCP malign influence activities face both challenges and opportunities. A common cultural, linguistic, and ethnic background creates no barriers such as those Chinese influence activities tend to face in the West. At the same time, the common language, for instance, also poses difficulties, most apparent in the domain of disinformation. By way of illustration, after Nancy Pelosi's visit to Taipei in early August 2022, Chinese hackers penetrated the 7-Eleven convenience store TVs by posting anti-Pelosi messages. The messages, however, used Mandarin terms typical only of the mainland.[8] For this reason, the impact of the operation remains debatable. The purpose may not have been to remain undetected but rather to showcase mainland capabilities and power to penetrate Taiwanese society.

Another distinctive feature of Taiwanese society separating it from Western-style democracies is the heterogeneous domestic political field. From a legal and moral perspective, local Taiwanese discourse for reunification presents legitimate socio-political views. This further complicates evaluations of CCP hybrid threat-building against Taiwan. Muddying the waters around judgements over malign versus benign behaviour hampers the combating of disinformation.

In fact, the binary division between "malign" and "benign" behaviour does not aptly describe the different socio-political and economic realities in Taiwan. The different actors that can be attributed as CCP NSAs have a plethora of different motives for their behaviour. For example, the organized crime that the CCP uses as proxies often represent a view that aims for a civilizational "big China", but not necessarily one that would seek to overthrow the democratically elected Taiwanese government in favour of the mainland CCP.

The evaluation of CCP activities in Taiwan, therefore, is a complex task, characterized by a broad spectrum of shades of grey instead of clear black and white issues. This report seeks to clarify the ways in which a weaker party can potentially resist coercive measures imposed by a dominant actor and its NSAs through the application of proactive democratic deterrence principles. What is crucial here is the identification of the main strengths and weaknesses of the targeted society.

Strengths

Taiwan's main strength lies in its political model – liberal democracy, which functions well in principle. Public discussions on politics tend to be moderate and well-mannered, whereas discussions within parliament are often more heated and polarized. In both cases, freedom

7 See Janne Jokinen, Magnus Normark, Michael Fredholm, *Hybrid threats from non-state actors: A taxonomy*, Hybrid CoE Research Report 6, 2022.

8 Xu Mifei, Cuan fang'yi ci xiao kao: Zhongwen de bodajingshen ruhe yong yingwen biaoda, nan dao le yi zhong fanyì zhe. *Wai nao*, 2022, https://www.thenewslens.com/amparticle/171328.

of speech provides a framework for an open exchange of views.

Another key strength lies in Taiwan's vibrant civil society. After 2012, an open government movement saw civil society demanding more transparency from the state. After the 2018 elections, civil society actors transformed this movement into a more proactive force that developed responses to Chinese influence operations.

Certain cultural aspects in Taiwanese society provide further advantages compared to more Western- style liberal societies. Taiwan is a relatively young democracy, placed within a hierarchical Confucian social and cultural code that discourages questioning one's social and cultural seniors, namely parents, work-related supervisors, and government officials. Thus, the state is able to use more direct methods compared to European democracies, for instance. This is evident in the way in which government security agencies combat the spread of disinformation by proactively undermining the CCP.[9]

The decentralized nature of the local security policy community can be viewed as both a strength and a weakness. While the responsibilities of different actors overlap and cause confusion, and there appears to be a lack of communication between various entities, the networked nature of both state and non-state actors allows for the verification of different threat analyses.

Weaknesses

The main weakness of Taiwanese society vis-à-vis infiltration operations lies in its polarized and complex composition. Society is divided around political, cultural, and socio-economic issues. In addition to political and economic wedges, divisions exist in generational, historical, and ethnic terms. For example, the population of Taiwan consists of different waves of migration from the mainland ranging from the Qing dynasty era to the nationalist migration after the lost civil war. Taiwan is also home to numerous indigenous populations.

Importantly, the political field in Taiwan is divided into two camps according to the major political parties, the **Kuomintang** (KMT) and the **Democratic Progressive Party** (DPP). Both parties have smaller supporting political groupings that form the two separate "green" (DPP) and "blue" (KMT) camps. Polarization between the two camps is significant, as well as within both parties, creating wedges and thus providing fertile ground for external competing narratives.

Regarding the "blue" camp, the KMT was the other majority party during the republic era of mainland China between 1928 and 1949. After losing the civil war to the CCP, the KMT retreated to Taiwan in 1949. Under KMT rule, and the then party supremo Chiang Kai-shek, Taiwan was ruled via martial law between 1949 and 1987. Thus, the KMT maintained authoritarian rule until the beginning of the democratization process in the 1980s and full democratization in the 1990s. Currently, the blue camp is often seen as "pro-China", while in fact blue moderates advocate the indefinite maintenance of the status quo and only hardliners advocate unification with China. Hence, the KMT is also often seen as supporting the status quo and as unwilling to develop a *de jure* independent Taiwan.

9 See e.g. Qian Lizhong, Zhong dui tai renzhi zuozhan hun jin ka ti nuo luntan diaocha ju jiu 400 lian shu zhanghao sanbu jia xunxi. *Taibei baodao*, 2022, https://news.ltn.com.tw/news/society/breakingnews/3808117?fbclid=IwAR15UxsnrAGR-V5ytD3MIgt9--MqCUqxUfYe8Ab7WAviuQvG1bKDULOBtuA.

Regarding the "green" camp, the DPP was founded in 1986, shortly before the end of martial law. Against this background, the DPP is often associated with strong advocacy for human rights, as well as the promotion of independent Taiwanese nationalism and identity. There are also differences within the green camp, however; hardliners advocate Taiwanese independence, while moderates advocate *de facto* sovereignty as well as building a distinct Taiwanese identity without a declaration of independence.

Polls often suggest that DPP voters do not necessarily vote for their party as much as against the KMT. This was also the assessment of the recent 9-in-1 elections in November 2022 that saw the KMT gain traction,[10] depicting the level of political polarization. The complexity of the situation is further illustrated by young Taiwanese, who largely subscribe to democratic and liberal values. Given that many of them work in Taipei, they are not being mobilized during elections, since one must return to one's district of origin to vote. While taking part in elections requires travelling, the strong family legacy in politics is a cause of pressure to vote the same way as one's parents. Thus, young Taiwanese often fall victim to both rural-urban and generational gaps.

Taiwanese media also largely follow the political polarization between the two major political parties. This amplifies existing wedges according to the different camps, as well as the CCP agenda, which wields considerable influence over local media. Taiwanese media is seen to suffer from a lack of ethics, professionalism, and respect for mediated information. This can be attributed to the dominance of market economy logic and the lack of government regulation.

In fact, more often than not, a respective media outlet is owned by a larger conglomerate, which supports one side of the political spectrum. The large conglomerates also prefer a fast pace and sensational news circulation. Thus, many news outlets copy their content uncritically from other sources, including from the mainland, duly spreading CCP disinformation. The mainstream media also often stretch the truth, omit crucial information, and produce content that borders on disinformation. This has created a vulnerable media environment with circular corroboration. In addition, many journalists oscillate between the blue and green camps, having no personal preference or stake in their work. Oftentimes, the culture of political mudslinging further muddies the waters, complicating the attribution of mainland-originated disinformation.

Thus, despite the freedom of speech and in-principle free media, the Taiwanese public have had a relatively low level of trust in the local media.[11] At the same time, most Taiwanese young people under thirty continue to receive their news content from online sources.

The lack of official media regulation in Taiwan results from seeking distance from the era of authoritarianism, which only ended in the 1970s. In effect, the socio-political transformation from authoritarianism to democracy has not produced a democratic and transparent media culture. The authoritarian legacy and

10 See e.g. Joseph Yeh, 'Voters "taught DPP a lesson" but don't necessarily support KMT: Wang Dan'. Focus Taiwan, November 11, 2022, https://focustaiwan.tw/politics/202211270011.

11 See e.g. Ann Maxon, 'Majority of Taiwanese believe media doing a poor job', *Taipei Times*, August 26, 2019, https://www.taipeitimes.com/News/taiwan/archives/2019/08/26/2003721153.

the subsequent political polarization (DPP vs. KMT) have led to downplaying investigative journalism through bi-partisan accusations of authoritarianism by both camps. Local media do not properly investigate and inform the public about national security issues. For this reason, and despite the existing freedom of speech, the Taiwanese public's right to information exists only in a narrow sense.

As a result, detachment from issues of national security and defence within the population at large is a considerable weakness that the CCP targets and amplifies. Thus, the authoritarian legacy plays a role in disengaging key demographics from democratic institutions.

There is also a tendency within society at large to conform to dominant narratives. Political discussions seldom follow a dialectic logic, as is the tendency in Western-style democracies. This could be attributed to the Confucian tradition, which emphasizes social harmony and hierarchical obedience, as well as the authoritarian legacy. Taken together, these have not yet fully allowed for the development of a critical bottom-up culture.

A practical illustration of this concerns elementary school teaching. Often, this appears to lack the know-how and skills required in building democratic resilience, which should be passed on to the younger generation. Students may feel that critical and independent thinking about information is often discouraged.[12] Attempted reforms by the government have not been fully accepted among teachers.[13] In particular, plans to introduce a bilingual curriculum to teach English have led to difficulties with teachers and some students, especially along the urban-rural divide.[14]

In addition to the media, another key democratic institution that suffers from a lack of public trust is the military. This can also be partly attributed to the legacy of authoritarianism and history of martial law in Taiwan. While most universities have courses organized by the military, the latter is otherwise invisible to the public and suffers from lack of engagement with citizens. This has led some young Taiwanese to take an unfavourable view of the military, a sentiment that has been amplified in the past by reported cases of conscripts being bullied in the army.[15]

What is more, the military appears conservative in relation to the rest of society. In contrast to viewing Taiwan as an independent and distinct country, the top military leadership, which is mostly KMT, remains adamant to an extent in envisioning their own "one-China policy", effectively continuing the civil war instead of supporting a distinct Taiwan and Taiwanese identity. Inefficient crisis communication has further amplified the isolation of the military from the rest of society. In direct contrast to the military, the police largely enjoy public trust. In fact, civil defence in Taiwan has for the most part been placed under police purview.

12 See e.g. Estella Tong, '5 reasons why Taiwan's education drives students nuts', *Taipei Teen Tribute*, August 8, 2017, https://taipeiteentribune.com/taiwans-education-drives-students-nuts/.

13 Chris, Kyriacou and Pei-Yu Chien, 'Teacher stress in Taiwanese primary schools', *Journal of Education Enquiry* 5(2), (2004), https://www.researchgate.net/publication/237285544_Teacher_stress_in_Taiwanese_primary_schools.

14 Lee I-chia, 'Union urges overhaul of the Bilingual 2030 policy', *Taipei Times*, July 5, 2022, https://www.taipeitimes.com/News/taiwan/archives/2022/07/05/2003781171.

15 See e.g. Xin Yage, 'To fight hazing, Taipei changes military rules', PIME asianews, March 18, 2014, https://www.asianews.it/news-en/To-fight-hazing,-Taipei-changes-military-rules-30588.html.

China functioning as sponsor

Studying the hybrid threat actor is just as important as assessing the target. Key questions in this respect include:

1) Does China exhibit a preference for NSAs exercising particular types of power in an effort to influence its own society and other states?
2) Do similar NSAs hold influential positions within the targeted society?
3) Does China have access to such NSAs in the targeted society, and the means to influence them?

Under communist rule, social control in China has been intense. Since Xi Jinping took over, the political control of the CCP has further advanced in all non-state, non-party organizations. The CCP has effectively developed capacities to direct the non-state sector to support the Party agenda. Constant interactions, and manipulative and coercive tactics, have produced dynamic interrelationships between the Party and the non-state sector in China.[16]

Given its prior domestic experience in ambiguous coercive tactics, the CCP is able to organize and sustain proxy NSAs abroad. Rather than conscious policy choices, longstanding developments in China's political system and thinking dictate strong public-private cooperation. This whole-of-society approach is known as the United Front (*tongyi zhanxian*).

As a result of the United Front approach, a large repertoire of NSAs as state proxies create opportunities and capabilities for the Party. While the United Front structures are the framework through which these activities are carried out, successful domestic experiences provide the context for CCP overseas influence. The United Front approach enables the Party to use the same influence tools domestically and internationally. This, however, should be directly related to the size and relevance of the Chinese diaspora in different countries. As Chinese social and business organizations continue to internationalize, the blurring of state and non-state sectors nonetheless extends beyond China's borders.[17]

Co-opting NSAs builds the CCP's capability to exploit existing power hierarchies and seams in democratic societies. Chinese proxy NSAs are capable of manipulating the threshold of detectability and compounding the problem of attribution and response activation. This gives the CCP an asymmetric advantage over democratic states and allows the Party to advance its strategic agenda below the threshold of conflict escalation, where and when it is willing to do so.[18]

The Chinese strategy in Taiwan applies its prior domestic experiences in combining carrots (win hearts and minds) and sticks to control individual policymakers and thus weaken democratic mechanisms and institutions. The Party aims to influence the local government by co-opting local proxies as collaborators from the military, media, business, culture, and NGO sectors, as well as Taiwanese living on the mainland or elsewhere. The rationale for coopting

16 Vincent Guangsheng Huang, 'Floating control: examining factors affecting the management of the civil society sector in authoritarian China', *Social Movement Studies* 17(4), (2018): 378–392.

17 Takashi Suzuki, 'China's United Front Work in the Xi Jinping era – institutional developments and activities', *Journal of Contemporary East Asia Studies*, 8(1), (2019): 83–98.

18 Jukka Aukia, *China as a hybrid influencer: Non-state actors as state proxies,* Hybrid CoE Research Report 1, 2021.

proxies goes beyond gaining influence without any obvious attribution. Local collaborators help in the cultural translation of the mainland messaging; even though the cultural heritage between Taiwan and the mainland is largely similar, there are notable linguistic differences that often betray Chinese disinformation operations, for example. In addition, local proxies, such as celebrities in the field of politics or entertainment can provide an existing audience for CCP messaging.

The CCP has access to all sides of the disunified political spectrum in Taiwan, that is, the pro-independence, the pro-unification, and the pro-status quo factions. The aim is to amplify these existing wedges in society. Naturally, the bulk of CCP attention is directed towards undermining the pro-independence camp, consisting mainly of the DPP party. In addition to amplifying the political wedges, CCP operations have also focused on other divisive societal topics such as LGBTQ+ issues, nuclear power, and the economy. Agriculture aptly illustrates the CCP's means of influence. The aim is to amplify urban-rural, north-south, and DPP-KMT controversies by targeting agriculture with economic warfare. By imposing sanctions on certain agricultural products, the CCP targets traditionally pro-DPP regions within Taiwan to influence local opinion regarding the DPP government and independence at large.

In sum, China's means of influencing NSAs in Taiwan include the use of such tools as the massive domestic and international surveillance system, coupled with rewards and punishment, duly combining co-optation, intimidation, and disinformation.

CCP proxy non-state actors in Taiwan

The key actor in CCP overseas influence is the United Front Work Department (UFWD), which reports directly to the CCP Central Committee. Since 2018, the UFWD has been heavily focused on Taiwan. The Political Party Bureau of the Taiwan Affairs Office (TAO), responsible for policies regarding trade and transport, is another key actor in CCP influence operations. In this respect, the Shanghai Liaison Bureau of the Political Work Department of the Chinese Central Military Commission also takes part. On the other hand, CCP information warfare efforts are usually attributed to the PLA Strategic Support Force (PLASSF). Established in 2015, the PLASSF conducts intelligence gathering, online attacks, covert manipulation of local social media, and psychological warfare in Taiwan.[19] PLASSF activities are anticipated to increase in the future.[20]

Notable UFWD associations include the China Association for Promotion of Chinese Culture (CAPCC, *zhonghua wenhua fazhan cujin hui*), the All-China Federation of Taiwan Compatriots (*zhonghua quanguo taiwan tongbao lianyi hui*), and the Collaborative Innovation Center for Peaceful Development of Cross-Strait Relations (*liang'an guanxi heping fazhan xietong chuangxin zhongxin*). According to reports, the CAPCC was created in 2001 and is now seen as the PLA's main platform for informal exchanges with Taiwan.[21]

19 See e.g. Chung Li-hua and William Hetherington, 'China targets polls with fake accounts', *Taipei Times*, November 5, 2018, https://www.taipeitimes.com/News/front/archives/2018/11/05/2003703618.

20 Nathan Beauchamp-Mustafaga and Jessica Drun, 'Exploring Chinese Military Thinking on Social Media Manipulation Against Taiwan', *Jamestown China Brief* 21(7), (2021), https://jamestown.org/program/exploring-chinese-military-thinking-on-social-media-manipulation-against-taiwan/.

21 Charon and Vilmer, 2022.

The CCP uses political parties, acquisitions of local media, overseas Taiwanese businesspeople, as well as their extended families as proxies.[22] The focus is on the so-called Taiwanese naturally independence-leaning generation. More specifically, the "one generation and one stratum" (*yidai yixian*) targets the young generation, the "three middles and the youth" (*san zhong yiqing*) targets residents of central and southern Taiwan, and the strategies of the China Unification Promotion Party (CUPP) target the grassroots and civil society.[23]

Political proxies

Regarding the Taiwanese political landscape, the foremost CCP proxy is considered to be the openly pro-Beijing China Unification Promotion Party (CUPP *zhonghua tongyi cujin dang*). The CUPP raises concerns in Taiwan as an external authoritarian actor that potentially exploits democratic vulnerabilities. Due to its transparent CCP proxy status, however, the CUPP is not expected to succeed in elections.[24]

In addition to the CUPP, various associations are generally considered to be connected to the UFWD. These smaller proxies include the Taiwan Red Party (*zhongguo taiwan hong dang – hong dang*), the New Party (*xin dang*), and the Concentric Patriotism Alliance (*zhonghua aiguo tongxin hui*). Their activities vary from spreading CCP propaganda and recruiting members to physical aggression towards opponents and brandishing Chinese flags in front of Taipei 101.

CUPP members have also been accused of working together with a Chinese spy ring in the Republic of China known as the Star Fire Secret Unit (*xinghuo mimi xiaozu*). The activities of the unit, according to reports, include espionage and intelligence-gathering, as well as media and propaganda campaigns.[25]

Economic proxies

In Beijing's economic statecraft, firms are seen as key actors in seeking influence in Taiwan. For instance, tourism from the mainland is often selectively restricted. The CCP also pressures transnational enterprises, mostly airlines and hotels, to list Taiwan as a Chinese province, and therefore to advance CCP policy goals.[26] According to some estimates, the CCP infiltrates the Taiwanese private sector not only to gain economic and technological advantages, but also to hamper the local economy and thus make Taiwan politically more vulnerable.[27]

22 Jude Blanchett et al., 'Protecting Democracy in an Age of Disinformation: Lessons from Taiwan' (Center for Strategic & International Studies, January 2021), https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/210127_Blanchette_Age_Disinformation.pdf.

23 See Lin Liang-sheng, Su Yung-yao, 'Chinese "united front" tactics aim to divide and conquer, *Taipei Times*, July 19, 2017, https://www.taipeitimes.com/News/taiwan/archives/2017/07/19/2003674860.

24 See Yimou Lee and James Pomfret, 'Pro-China groups step up offensive to win over Taiwan', Reuters, June 26, 2019, https://www.reuters.com/article/us-taiwan-china-campaign-insight-idUSKCN1TR01H.

25 See Jason Pan, 'New Party arrests show China's deep infiltration: pundit', *Taipei Times*, June 15, 2018, http://www.taipeitimes.com/News/taiwan/archives/2018/06/15/2003694912.

26 See Chris Horton, 'How Beijing enlists global companies to pressure Taiwan', Nikkei Asia, July 25, 2018, https://asia.nikkei.com/Spotlight/The-Big-Story/How-Beijing-enlists-global-companies-to-pressure-Taiwan.

27 See Ben Blanchard, 'Taiwan says China waging economic warfare against tech sector', Reuters, April 28, 2021, https://www.reuters.com/technology/taiwan-says-china-waging-economic-warfare-against-tech-sector-2021-04-28/.

The CCP also uses Chinese shell companies in China, as well as Taiwanese businesspeople with activities on the mainland. These may be directed to Taiwan to recycle and launder funds for the use of NSA proxies, including political candidates and parties, and civil society. Known cases include the Taolue group and its subsidiary, Strategic Sports Ltd, a company based in the mainland Guangdong Province.[28]

Media proxies

While operations are often CCP-initiated, non-Taiwanese, non-mainland NSAs function as intermediaries between the CCP and local actors. These foreign NSAs amplify disinformation, further complicating the attribution dilemma. Mainland NSA proxies in Taiwan represent business interests, such as commercial media, marketing/PR firms, as well as celebrities, influencers, and YouTubers. Facebook fan/community pages and commercial content farms are also often used as CCP proxies.[29, 30]

On the other hand, certain traditional media in Taiwan are more commonly identified as CCP NSAs. For instance, the China Times Group (including the *China Times* newspaper / CTV, CTiTV) appears to be openly pro-Beijing and anti-DPP.[31] Since 2009, the group has been owned by Tsai Eng-meng, a tycoon whose businesses are highly dependent on the mainland. Tsai has publicly announced that media under his ownership is pro-unification. Under his ownership, the media have become pro-Beijing: his editors reportedly stay in regular touch with the Taiwan Affairs Office.[32] Moreover, in various instances, reports indicate that the CCP has paid to place positive stories about the mainland in Taiwanese print media.[33]

In fact, media owned by Tsai Eng-meng largely belong to the Want Want Group. According to reports, Want Want China Holdings has received 500 million US dollars in subsidies from the mainland since 2007. The funds have been funnelled via a holding

28 Tseng Wei-chen and William Hetherington, 'Lawmakers take aim at CUPP finances', *Taipei Times*, October 1, 2017, https://www.taipeitimes.com/News/taiwan/archives/2017/10/01/2003679502.

29 Gary Schmitt and Michael Mazza, 'Blinding the Enemy: CCP Interference in Taiwan's Democracy', Global Taiwan Institute, October 2019, 7–8.

30 For example, in 2018 on a popular ROC online bulletin board, news spread that the Chinese consulate was evacuating Taiwanese travellers stranded in Japan due to a typhoon. Apparently, the local ROC office failed to help its citizens. After the news was published in the ROC print media, local officials faced harsh criticism. According to reports, before the story was debunked, an ROC official committed suicide. Eventually, the origin of the fake news was traced to mainland content farms. See Kristin Huang, 'Taiwanese Official Criticised for Handling of Typhoon Jebi Evacuation Found Dead in Osaka', *South China Morning Post* (Hong Kong), 14 September, 2018, www.scmp.com/news/china/diplomacy/article/2164252/taiwanese-official-criticised-han- dling-typhoon-jebi-evacuation.

31 'One Country, One Censor: How China Undermines Media Freedom in Hong Kong and Taiwan', The Committee to Protect Journalists, 16 December, 2019, https://cpj.org/reports/2019/12/one-country-one-censor-china-hong-kong-taiwan-press-freedom/.

32 Kathrin Hille, 'Taiwan Primaries Highlight Fears over China's Political Influence', *Financial Times*, 17 July 2019, https://www.ft.com/content/036b609a-a768–11e9–984c-fac8325aaa04.

33 Yimou Lee and I-hwa Cheng, 'Paid News: China Using Taiwan Media to Win Hearts and Minds on Island—Sources', Reuters, 9 August, 2019, https://in.reuters.com/article/taiwan-china-media/paid-news-china-using-taiwan-media-to-win-hearts-and-minds-on-island-sources-idINKCN1UZ0HF.

company in Hong Kong. The funding has clearly had an observable influence on the editorial line of the Want Want China Times Media Group. In addition, the Want Want Group has attempted to bring Taiwanese media outlets into closer cooperation with the Chinese party state.[34]

Regarding local relays, HelloTaiwan is one of the most important platforms for CCP disinformation. It is linked to China Huayi Broadcasting Corporation as well as to the Voices of the Strait. In a well-known case, a Chinese journalist working for HelloTaiwan was caught pretending to be Taiwanese while spreading disinformation on social media.[35]

In effect, the CCP aims at influencing the cultural, political, and social mediasphere of Taiwan in promoting unification and cultural fusion. In this regard, the Taiwan Affairs Office uses the Jiuzhou Center for Cultural Communication in advancing this particular goal. Voices of the Strait, the publishing company Haifeng as well as the China Hyayi Broadcasting Corporation operate, according to reports, under PLA Base 311.[36]

Non-conventional proxies

The UFWD has also penetrated the non-conventional layers of Taiwanese society. The CCP appears to rely on crime syndicates, or "triads", and their substate affiliates, for advancing the mainland agenda. In addition to existing criminal groups, former members of the triads are often used as proxies.[37] For instance, Zhang Anle, the high-ranking ex-member of a triad called Bamboo Union, is considered the founder and present head of the CUPP. In fact, in Taiwan, the notion of "Black Gold" is used to refer to penetration into politics by underworld figures. It should be noted that the DPP has also been accused of Black Gold politics.[38]

The general consensus is that, in working together with the CUPP, the Bamboo Union and its peer the Four Seas Gang, are politically active in ways that supersede the conventions of criminal organizations. They are also suspected of receiving funding directly from the mainland through Chinese companies. For instance, with the support of the Bamboo Union, the CUPP has organized pro-Beijing rallies targeting events at which officials from the American Institute in Taiwan (AIT) have been present.[39] According to some estimates, the symbiotic relationship between the two gives the CCP the ability to engage in large-scale political violence such as assassination, sabotage, plots against civilian infrastructure, guerrilla warfare, and terrorism. An armed militia formed by the organizations could also assist the PLA in any future invasion of Taiwan.[40]

34 Michael Cole, 'Taiwan and CCP political warfare: A blueprint', Sinopsis, 2019, https://sinopsis.cz/en/taiwan-and-ccp-political-warfare-a-blueprint/.

35 Source: Interview in Taipei.

36 Charon and Vilmer, 'Les opérations d'influence chinoises'.

37 Michael Cole, 'On the Role of Organized Crime and Related Substate Actors in Chinese Political Warfare Against Taiwan', Zhanwang yu tansuo yuekan (Perspectives and Explorations) 19(6), (2021): 55–88.

38 See Yun Xia, 'The White Wolf of Taiwan', *The Diplomat*, September 18, 2017, https://thediplomat.com/2017/09/the-white-wolf-of-taiwan/.

39 Kanis Leung, 'Thousands rally in support of Hong Kong's embattled police force, as extradition bill unrest rumbles on', *South China Morning Post*, August 3, 2019, https://www.scmp.com/ news/hong-kong/politics/article/3021321/thousands-rally-support-hong-kongs-embattled-police- force.

40 See Jens Kastner, 'The Bamboo Union Gang: China's Latest Weapon Against Taiwan', *Asia Sentinel*, October 2017, https://www.asiasentinel.com/p/bamboo-union-gang-china-weapon-vs-taiwan.

Another non-conventional layer in Taiwanese society infiltrated by the CCP is the wide network of Buddhist temples. These range from small to mid- and large-scale temples and monasteries which possess significant political power. According to reports, the temples have been infiltrated and are thus well-connected to CCP officials.[41]

Cyber proxies

Reportedly, starting in 2018, Chinese-backed hacker groups (Blacktech, Taidoor, MustangPanda, APT40) have attacked Taiwanese government institutions and semiconductor firms in an attempt to steal vital data.[42]

Another key actor group in the cyber domain are various content farms linked to the mainland. In recent years, a mainland company called Wuwei Technology has produced misleading messages on Taiwanese media platform Huanxiangwang (happytify.cc). These have included links to games and psychological tests on Facebook that collected personal data, while synchronizing the data with Huanxiangwang. KMT supporters have further disseminated and commented on the clusters that created fake content on Facebook.

The different content farms effectively churn out fake news, for instance, and then cluster-share this pro-CCP, pro-unification, and anti-DPP content on social media sites, but do it in an increasingly sophisticated manner. The kknews (Meiri Toutiao) website, for instance, cluster-shares posts from the mainland disguised as posts from Taiwan. However, the site does not spread disinformation as such, but useful daily content with added political marketing. While the content is mostly plagiarized from academic and commercial publications, the site also cluster-shares posts from the official China WeChat account. Thus, the content has already passed through the filter of the "Great Firewall", creating a China-friendly information environment that impacts Taiwanese audiences without their knowing it.[43]

41 Luo Chengzong, Zongjiao zuzhi wufa guan, zhongguo chi dingle taiwan, Sixiang tanke, November 5, 2019, https://www.voicettank.org/single-post/2019/11/05/110501.

42 Lawrence Chung, 'Mainland Chinese hackers attacked government agencies to steal data, Taiwan says', *South China Morning Post*, August 19, 2020, https://www.scmp.com/news/china/diplomacy/article/3098012/mainland-chinese-hackers-attacked-government-agencies-steal.

43 Tzu-Chieh Hung and Tzu-Wei Hung, 'How China's Cognitive Warfare Works: A Frontline Perspective of Taiwan's Anti-Disinformation Wars', *Journal of Global Security Studies*, 7(4), (2022).

Mechanisms for CCP influence

Specific mechanisms for CCP operations in Taiwan include applying narrative warfare to appeal to kinship and social trust, economic promises/threats, political relevance, and religious sentiment. To a degree, these overlap and are used to amplify one another.

The mechanisms also exert influence by trading off some of the core mainland interests for larger goals.[44] In the information domain, for instance, mainland NSAs operate independently and soft-pedal their suppression of Taiwanese independence ambitions, in order to avoid alienating their audiences.

Information influence

As pointed out above, in Taiwan the CCP is committed to controlling all aspects of the media ecosystem and information production, both in the vertical and hierarchical sense. The party aims to influence content creators, media companies, and platforms that disseminate the information. The CCP uses both Chinese state media and local NSAs in its operations, and targets Taiwanese citizens with a multitude of means. These may take the form of propaganda, conspiracy theories, and fake news stories, spread by content farms, bots, and fake accounts. Added to this, Chinese state media has entirely separate pages for simplified and traditional Chinese characters used in Taiwan. The local Taiwanese public is nonetheless well versed in reading both versions.

The CCP is also increasingly attempting to gain influence over information proxies that mask mainland participation. Influencers and celebrities are invited to the mainland, and while it is difficult to detail what takes place there, upon returning to Taiwan the proxies may not be immediately activated. That is, not until there is an event or controversy that they can comment on and contribute to. In the meantime, they receive technical and content support from the CCP.

Given their local capability to appear believable, the CCP uses Taiwanese collaborators to disseminate false information. Thus, in CCP information manipulation operations against Taiwan, NSAs play a key role.[45]

Narrative warfare

In addition to blatantly obvious fake news, subjective narratives, which are more difficult to combat, play an important part in CCP infiltration. In other words, the CCP wages a narrative war in Taiwan by capitalizing on the fears of the local population. Using NSAs, the narratives are spread throughout the media and the information ecosystem. Along with other successful domestic practices, this draws on the evolution and experience of the Chinese domestic propaganda system and the Chinese media.[46]

In the narrative warfare, different NSAs have different goals. The CCP's various assets and collaborators not only have broader strategic goals, but also more focused tactical-level aims. For instance, in promoting the strategic narrative that the mainland political system is better and that democracy is inefficient, there are also smaller tactical-level aims, such as undermining the DPP at the local level.

44 See also Timothy Niven and Maiko Ichihara, 'To Influence Japan, China Tries Subtlety', *American Purpose*, October 13, 2021, https://www.americanpurpose.com/articles/to-influence-japan-china-tries-subtlety/.

45 See Doublethink Lab, 'Deafening Whispers. China's Information Operation and Taiwan's 2020 Election', October 2020, https://medium.com/doublethinklab/deafening-whispers-f9b1d773f6cd.

46 Blanchett et al., 'Protecting Democracy'.

In addition to undermining democracy, most of the narratives stemming from the CCP undermine the US. The main narratives question US capabilities and motivation to provide security for Taiwan: "The US does not support Taiwan"; "the US is not strong enough to support Taiwan"; "the US sees Taiwan as an aircraft carrier, just a coincidence that people live there". These can also echo Russian narratives: "The US is too weak to handle both the Ukraine and Taiwan". In a related narrative, the US is seen only to be willing to profit out of Taiwan by means of arms sales. Japan is also targeted, and the DPP is accused of corruption. Often, CCP-originated narratives evoke emotional reactions and are used in particular circumstances, such as social incidents that relate to morals. The aim is to corrode faith in democratic institutions, cause polarization, and amplify hate towards the Taiwanese state and establishment (e.g. in the case of Covid-19 restrictions).

Buzz creation

A key aspect of the CCP "narrative operations" is firstly to create an illusion of a vibrant local Taiwanese discussion, that is, a local buzz. Once this has been accomplished, Chinese official state media can refer to the "important domestic discussion" taking place in Taiwan.

In practice, Chinese content farms, which are anonymous websites appearing as news sites with articles written by anonymous authors, cluster-share these fake news articles. Quasi-state media and social media accounts that are situated in Hong Kong are also used. Automation and bots are used only to disseminate these narratives. Thus, an illusion of an ongoing wider discussion on a particular theme is created. CCP state media then reports on an ongoing "public discussion", fostering an illusion that the narrative represents public opinion at large. The CCP thus creates a phenomenon and uses the related narrative in its own propaganda. Interestingly enough, this means that the CCP pretends to be democratic in order to disrupt democracy.

Appealing to social trust

The CCP follows a general pattern that aims at influencing a target country or region, be that Taiwan or a Western democracy. The first step concerns making the target economically dependent on China. In the subsequent step, the CCP co-opts local economic and political elites, and aims to influence local private media through financial incentives. Both "moves" target the overall information ecosystem of the target country by aiming to introduce self-censorship to mould the overall narratives as pro-CCP.

In accordance with this general pattern, the CCP co-opts Taiwanese citizens and particularly mainland citizens in Taiwan, and those with mainland origin and close relations to the mainland with a comparable interpersonal mechanism. Chinese actors first aim at building friendship with their Taiwanese counterparts. In a second step, the relationship is then deepened so that the counterpart perceives it as being between good friends or even between "greater family" members. Finally, this relationship is utilized by the Chinese actor in that the local counterpart is fully expected to accept values and political positions forced upon them. If not, they run the risk of damaging the relationship.

This mechanism is also known as the "come ashore, infiltrate the homes, and enter the hearts" campaign.[47] It is particularly effective in a larger kinship/cultural/semi-propaganda context that views Taiwan as an undeniable part of the mainland cultural sphere. Here, "clan relative associations" are often used to co-opt key individuals. The associations maintain cross-strait relations and are often associated with a known family name (e.g. Lee) and/or region on the mainland (e.g. Fujian). On a personal level, motivations to collaborate with the Chinese stem from a number of reasons, ranging from cultural to economic. Taiwanese collaborators may not even recognize themselves as such.

Appealing to political relevance (Sub-state politicians and organizations)

The general *modus operandi* for the United Front work in Taiwan is to target elites, that is, political leaders, key academics, and war veterans to soften opposition to the CCP and build support for the annexation.[48] At the same time, the CCP targets sub-state politicians and organizations with political, social, or cultural relevance. Often, these are under the radar of the national security officials, they may not be aware of influencing attempts in the same way as national-level actors, and they might be more susceptible, not only to financial incentives but to attention in general. The political field in Taiwan is highly heterogeneous and thus sub-state politicians are often targeted by the CCP.

While municipal-level policymaking is a likely target for this type of influence in the West, in Taiwan, the CCP targets village-level chiefs and indigenous minorities. For example, the CCP has gifted shuttle buses to remote indigenous villages.[49] More often, however, and prior to Covid-19, the CCP has targeted village-level politicians by inviting them to various "cultural and academic" exchanges on the mainland. These include village cadres and local-level temple organizations.

This activity peaked after the 2018 elections when many new village chiefs visited China for intensive exchanges after taking up office. During the visits, exchange agreements were signed and official positions within village committees were granted, often acting in violation of Taiwanese law, leading to penalties from the Taiwanese Ministry of the Interior. Leading the visits from the mainland side have been United Front Work Department officials, provincial-level secretaries/deputy secretaries, or officials from the Taiwan Affairs Office. A central goal of this activity is to establish "normal mutual visits". In other words, by signing sister-city and exchange and cooperation agreements, the aim is to expand the scope of exchanges, including rural exchanges, ecological planning, sports exchanges, and mutual parks. The influence thus permeates every aspect of community building.[50]

47 See Voicettank, 'Taiwan Can't Control Its Temples and China Knows It', December 28, 2019, https://ketagalanmedia.com/2019/12/28/taiwan-cant-control-its-temples-and-china-knows-it/.

48 Lee and Hung, 'How China's shadowy agency is working to absorb Taiwan', Reuters, November 2014, https://www.reuters.com/article/us-taiwan-china-special-report-idUSKCN0JB01T20141127.

49 Tzu-Chieh Hung and Tzu-Wei Hung, 'How China's Cognitive Warfare Works: A Frontline Perspective of Taiwan's Anti-Disinformation Wars', *Journal of Global Security Studies*, 7(4), (2022).

50 Song Xiaohai, Zhongguo dui tai renji shentou yanjiu [China's interpersonal penetration study on Taiwan], IORG, 2021, https://iorg.tw/_en/r/d3.

Another key group includes mainland-originated female spouses, known for setting up several small-scale political parties that are suspected of receiving CCP funding. In recent years, there have been more than 80 cases that fit this pattern.[51]

Appealing to economic benefits/grievances (Access to mainland markets)

As a key mechanism, the CCP targets and mobilizes Taiwanese businesspeople working on the mainland. For example, according to reports, the "three must visit" programme of the United Front requires CCP officials to visit the Taiwanese business community on the mainland during traditional holidays, if a family member becomes ill, or a member of the community faces financial hardship.[52] The United Front Zhejiang department, with more than one hundred offices in the province, is active in targeting the Taiwanese business community on the mainland.[53]

Given that local business actors are dependent on the volume of bilateral trade with the mainland, they have a stake in maintaining stable bilateral relations. Reports indicate, however, that those members of the Taiwanese business community who reside on the mainland have formed a shared community for both sides. Therefore, in some reports, Taiwanese business sectors are neither seen as hostages nor as agents of the CCP.[54] That said, Taiwanese businesspeople who frequent the mainland share a vision whereby doing business and conducting politics mingle. This mentality was particularly prevalent in the 1980s and 1990s.

In any case, the CCP uses access to Chinese domestic markets as a way to influence Taiwanese individuals throughout society. These include popular culture figures and celebrities. Access to larger markets implies larger revenues. On the other hand, no immediate activity is required by these celebrities. Only when there is a cross-strait or China-related event are celebrities expected to publicly support the mainland and the CCP. The pressure to do so derives from nationalists and the general public on the mainland, who push the respective celebrities to reveal their stance in social media. In the event that someone does not comply or does this at a later stage, they have to face the full social media wrath.

Perhaps the most well-known case concerns the Taiwanese singer/actor Jam Hsiao.[55] Hsiao is currently based in the mainland city of Chengdu. He was recently implicated in the "We Sing the Same Song" controversy: a collective song by multiple artists, embracing lyrics that promote the unification of the mainland with Taiwan.[56]

51 Source: Interview in Taipei.

52 'A Year After Mainland China Announced the 31-Taiwan Related Measure, The Results Are Overstated', News Release from Mainland Affairs Council (Taiwan), 27 February 2019.

53 The local Taiwanese business community is estimated at around 30,000. In addition, as of 2012, around 6,800 Taiwanese enterprises are estimated to have operations there.

54 Shu Keng and Gunter Schubert, 'Agents of Taiwan-China Unification? The Political Roles of Taiwanese Business People in the Process of Cross-Strait Integration', *Asian Survey* 50(2), (2010): 287–310.

55 See Ilsa Chan, 'Taiwanese Singer Jam Hsiao Reveals He's Now Based In Chengdu, Hopes To Buy A House There', 8days, June 9, 2021, https://www.8days.sg/entertainment/asian/jam-hsiao-chengdu-646251.

56 See Chen Yu-fu and Kayleigh Madjar, 'Chinese pop song souring ties: MAC', *Taipei Times*, January 14, 2022, https://www.taipeitimes.com/News/taiwan/archives/2022/01/14/2003771351.

In a similar manner, notable business actors in Taiwan self-censor and aim to align with the CCP in order to gain better access to mainland markets. The Want Want group buying the *China Times* is a case in point. Here, the mechanism concerns buying into local Taiwanese media, self-censoring that media, and then with the CCP's blessing entering the mainland market in other sectors.[57] The key is the attraction of the lucrative Chinese market, whereby the condition for entry is self-censorship.

Another key mechanism is to appeal to Taiwanese with economic grievances. These often include residents of central and southern Taiwan, middle- and low-income families, and small and medium-sized enterprises.[58] They may be young people aspiring to a better life but who are disappointed, as well as small business owners in difficult sectors such as tourism.

In general, local authorities in the south may be more sympathetic to unification, but this varies from region to region. This variation has been used by the CCP in their economic influencing. In 2021, for instance, the CCP banned the import of Taiwanese pineapples and sugar apples. In 2022, the import of pomelos was banned, influencing domestic demand for bulk sales. The aim of these bans has been to selectively target those rural areas that have traditionally supported the DPP, and thus to weaken support for independence.

Appealing to religious sentiment (Buddhist temples)

Religious groups offer another key channel by which the CCP can co-opt influential Taiwanese. In fact, reports point to the CUPP "infiltrating" 30 religious temples across Taiwan.[59]

The myth of and belief in the goddess of sea and sailing, Mazu, literally referring to a "maternal ancestor", is a case in point. The temples devoted to Mazu are located in the South Eastern part of Taiwan, while the belief originates from the mainland. The myth inherently incorporates a mechanism for overseas Chinese to visit the mainland as it includes a belief that temples can spread the power of Mazu. Therefore, in order to spiritually unite, many Taiwanese travel to mainland temples in Fujian, particularly for specific spring and autumn worship ceremonies. Importantly, there is an implicit hierarchy within the system of temples, granting those on the mainland a top-down position. Thus, the Mazu myth presents two mechanisms by which the CCP can co-opt the Taiwanese.

Firstly, the inherent hierarchical position of mainland temples lures the Taiwanese to the mainland in a mental framework that is susceptible to cooptation. In contrast to Western Christianity, most of Taiwan's traditional folk beliefs, myths, and deities are closely linked to mainland culture. Hence, they build a convenient and familiar connection to the mainland and therefore to Chinese influence.[60]

57 Charon and Vilmer, 'Les opérations d'influence'.

58 Yang Jiaxin and Lan Xiaowei, Dalu dui taixin zhengce yidai yixian qudai san zhong yiqing lu wei hui pu keneng xiachang' (2017 nian 5 yue 24 ri), *China Times*, https://www.chinatimes.com/newspapers/20170524000115-260203?chdtv.

59 Lin Junhong and Huang Yangming, Bai lang zicheng zhonggong tongluren tong cu dang shentou 30 gong miao bao ran hong weiji' (2019 nian 10 yue 26 rì), *Mirror Media*, https://www.mirrormedia.mg/story/20191022inv010/.

60 See Voicettank, 'Taiwan Can't Control Its Temples and China Knows It', December 28, 2019, https://ketagalanmedia.com/2019/12/28/taiwan-cant-control-its-temples-and-china-knows-it/.

Secondly, given that belief in Mazu is widespread in Taiwan, its leaders wield significant influence in local society, duly making them relevant targets for CCP co-optation. In this way, the Mazu myth forms a practical channel and an efficient mechanism for gaining influence, organizing meetings, and transferring funds and capabilities to pro-mainland actors in Taiwan.

Thus far, there is insufficient regulation in place regarding the management, property, and tax contributions of religious organizations. The CCP is aware of this, taking advantage of the situation. Since the 1990s, the Party has developed programmes for religious exchanges between Taiwan and the mainland.[61]

61 Ibid.

Taiwanese countermeasures

Since 2016, the current Republic of China administration has begun to evaluate various domestic social and political costs in responding to CCP coercion.[62] More specifically, the 2018 elections were a wake-up call for the Taiwanese government. Since then, a whole-of-society approach has been adopted to develop social cohesion and disinformation resilience. To this end, political actors and parties are prohibited from receiving mainland funding, and dual nationals who have the right to live and work on the mainland have been banned from running for office.

The government has also started to view the information environment as a national security issue. Thus, more governmental regulation has been put in place through rapid legal and regulatory changes, albeit with mixed success. Cooperation between state and non-state sectors, mainly social media actors, has also been intensified. Since 2018, responses to disinformation have no longer been made unilaterally; instead, they have also included social media companies and third-party fact-checkers.[63]

Policies related to economic NSAs

Overall, regarding economic coercion, Taiwan has responded by diversifying trade and investment to reduce dependency on China. However, it is estimated that Taiwan remains economically reliant on the mainland, which has created economic vulnerabilities that can be taken advantage of by increasing political pressure.[64]

Penalties for falsifying country-of-origin labels to hide Chinese imports have been raised. In the public sector, the use of Chinese communications technology (services/hardware) from Alibaba, Huawei, and Lenovo has furthermore been banned.[65] Relevant Taiwanese authorities convene in a monthly interagency meeting to address common investment issues. There are certain investment screening measures in place for what is, in effect, a two-way screening system for both inward and outward investments.[66]

Regarding investments into Taiwan by foreign investors from foreign countries, all cases are subject to prior approval pending a case-by-case review by the Ministry of Economic Affairs Investment Commission (MOEAIC). For international investments, sectoral restrictions are in place; a negative list includes 16 prohibited and 27 restricted industries. Investments from foreign countries are rejected when it is estimated that they will have a negative impact on national security, public order, good morals/norms, or national health, or are prohibited by law.

Regarding investments into Taiwan from mainland China, all Chinese investors and

62 Christina Lai, 'More than carrots and sticks: Economic statecraft and coercion in China-Taiwan relations from 2000 to 2019', *Politics* Vol. 42, Issue 3, (2021): 1–16.

63 Aaron Huang, 'Combating and Defending Chinese Propaganda and Disinformation: A Case Study of Taiwan's 2020 Elections' (Belfer Center for Science and International Affairs, 2020), https://www.belfercenter.org/sites/default/files/files/publication/Combating%20Chinese%20Propaganda%20and%20Disinformation%20-%20Huang.pdf.

64 Scott Kastner, 'International relations theory and the relationship across the Taiwan strait', *International Journal of Taiwan Studies* 1(1), (2018): 161–183.

65 Kharis Templeman, 'How Taiwan Stands Up to China', *Journal of Democracy* 31(3), (2020): 85–99; Steven Lee Myers and Chris Horton, 'Taiwan Detains Two Executives of Firm Accused of Spying for China', *New York Times*, 25 November, 2019; Sean Lin, 'KMT Says DPP Silencing Online Critics', *Taipei Times*, 5 January 2020.

66 See https://www.moeaic.gov.tw/english/index.jsp.

foreign companies with more than 30% of their equity or capital held by Chinese investors or controlled by PRC nationals require prior approval, pending a case-by-case review by the MOEAIC. Here, sectoral restrictions are defined by a positive list that includes 404 permitted industries (201 manufacturing/160 services/43 public utilities), as well as certain special requirements for semiconductor industries. What is more, investments from the mainland are restricted when they involve political parties, the military, or the PRC government. They are furthermore rejected when they cause economic exclusivity (e.g. a monopoly), political/social/cultural sensitivity, or when they have an impact on national security, economic development or financial stability.

Regarding investments from Taiwan to foreign countries, Taiwanese companies are required to report afterwards if the investment is worth less than 1.5 billion Taiwan dollars. Prior approval is required if this is exceeded, when a case-by-case review is conducted by the MOEAIC. Here, there are no sectoral restrictions per se, but investments are restricted when they have an impact on national security, hinder national economic development, violate international treaties, infringe on IP rights, violate labour regulations, or damage national image.

Regarding investments from Taiwan into the mainland, in the case of investments worth under 1 million USD, a report is required afterwards. In all other cases, including technological cooperation, a case-by-case review is conducted by the MOEAIC that considers the impact on national security and industry development. A simple review is conducted when the investment is less than 50 million USD. A project review is carried out when an investment exceeds 50 million USD, taking into consideration technology transfer and equipment export, for example. Technological cooperation on the mainland is rejected when the technology is used for producing items that are prohibited when it comes to investments into mainland China. Sectoral restrictions are also in place. Prohibited industries include 409 agriculture, 97 manufacturing, 5 services, and 10 public utilities industries. Additionally, conditional industries include semiconductors, panels, petrochemicals, real estate, and general business of type II telecommunications.[67]

In addition to the investment screening commission, Taiwanese security officials aim at tracking most funds that originate from the mainland. They also actively aim to monitor how and when these funds are used by local Taiwanese companies. Of particular concern are critical infrastructure and logistics companies such as trucking companies that could be used to bring local logistical chains to a standstill. Trucks could be used to cause road blocks and could seriously disrupt the functioning of the economy, while also hampering critical logistics in a conflict situation.

Attribution remains a concrete challenge for Taiwanese security officials. Attribution of investments can be difficult in this respect, as shell companies and murky ownership structures pose challenges. For this reason, Taiwanese officials increasingly emphasize company behaviour and performance when

67 Source: Interview in Taipei.

attributing an economic actor as a malign mainland proxy.

Policies related to disinformation

The Republic of China attempts to develop strategic communication capabilities in order to make timely international clarifications, and to win the sympathies, understanding, and support of the international community.[68] Taiwanese diplomats actively attempt to inform the international media of ongoing Chinese aggression.

To counter CCP political and psychological warfare tactics in the domestic domain, the Taiwanese Armed Forces, for instance, have developed a prompt reaction mechanism. This uses diversified media channels to uncover "false information, clear doubts or apprehension in the society and solidify mental defense of the people and service members".[69]

The Open Data Movement saw the current minister, Audrey Tang (they/their), gaining fame. They are now heading a new ministry called the Ministry of Digital Affairs (MODA), which tackles a wide range of digital security issues from cyber security, digital democracy, digital trade/economy, and engaging schools and education. In the past, these activities have been conducted by various state entities and the scale has been smaller. The MODA has the backing of the current president and the government, which grants the possibility of coming up with and testing novel ways to improve the system. Both the scrutiny and regulation of CCP-linked groups have also been intensified and a task force to coordinate an interagency response to disinformation has been set up.[70]

What is more, a number of attempts have been made since 2018 to make legal changes that would enable Taiwanese state entities to respond to disinformation stemming from the mainland. The Taiwanese government has made a conscious effort to develop legal mechanisms and coordinate actions between various ministries and agencies to respond to disinformation. That said, while the government continues to introduce bills aimed at combating disinformation, most of the proposed laws and amendments do not in fact end up as such: partisan politics and the authoritarian legacy of Taiwan are usually given as reasons. To illustrate this dilemma, the most common law used to impose penalties for the dissemination of disinformation, the Social Order Maintenance Act, stems from Taiwan's martial law era.

In fact, the Taiwanese government defines disinformation through three criteria: 1) viewed subjectively, the perpetrator has to have a motive to spread disinformation with malicious intent; 2) viewed objectively, the message or incident that the perpetrator creates, disseminates, and uses, either in whole or in part, has to be demonstrably false; and 3) such information has to have the consequence of harming

68 Taiwan 2021 defense review, https://www.ustaiwandefense.com/tdnswp/wp-content/uploads/2021/03/2021-Taiwan-Quadrennial-Defense-Review-QDR.pdf.

69 Ibid., p. 59.

70 In addition, monitoring and public shaming of media outlets has been increased. Fines for evading the official review process required for mainland investments have been raised. Political parties have been required to issue annual financial statements meeting official standards. A regulatory framework has been created to oversee private foundations that received public money. The time after leaving the government has been lengthened before former public officials can visit the mainland. ROC citizens have been banned from taking money or instructions from foreigners lobbying for political causes (Templeman 2020: 95).

personal, societal, or national interests, or doing actual material harm. All three elements must be present in order for disinformation to be defined as such before any responses can be made.[71]

The Taiwanese state combats disinformation overall by using four approaches: 1) identifying, 2) debunking, 3) combating, and 4) punishing.[72]

1) To improve the capabilities of the population in Taiwan to identify disinformation, the state promotes media literacy education, especially for relevant target groups, differentiated by age, interest, and outreach channel. The responsible entity is the Ministry of Education, which in 2019 established a dedicated committee to formulate specific policy. This includes teacher training, the supply of educational materials, and the design of lesson plans for elementary and secondary school curricula. In addition, specific educational programmes train civil servants to better identify facts within internet discourse, including training on how to provide effective information on government policies. The state also supports grassroots approaches that raise public awareness of media literacy. These include funding for community colleges and, for instance, the National Education Radio, which incorporates media literacy concepts into its programming.
2) On the government side, the main responsible body for debunking disinformation is the joint "realtime anti-disinformation mechanism" that involves the Taiwanese parliament, that is, the Executive Yuan, as well as various government ministries and organizations. It effectively gathers and monitors disinformation and narratives from various media (newspapers, magazines, TV, internet, social media). The main tool for debunking disinformation are press releases that clarify erroneous or false information. Press releases are also posted on the Real-time News Clarification Bulletin on the Executive Yuan's and its respective organizations' websites. The aim is to respond within four hours of detection. Detection is accomplished by state security agencies that use AI to detect the most influential nodes in the social media/online news ecosystem.
3) To combat disinformation in Taiwan, new legislation has been proposed in order for digital communications providers not to be considered civilly liable for their users' infringements as long as they remove access to malign content upon detection. According to the proposals, during elections, candidates may petition the courts to order media platforms to react to inaccurate information that violates their rights. The court would need to react within three days. Thus, the independent judicial judgment would ideally protect freedom of speech while minimizing the potential impact of interference.

According to existing legislation, the National Communications Commission (NCC) oversees the fact-checking and self-regulatory practices of local broadcast media. In fact, the NCC accepts complaints from the general public, and has ruled on several cases in accordance with

71 Source: Interview in Taipei.
72 Source: Interview in Taipei.

the Fact-Checking Reference Principles issued in 2018. The NCC also publicizes observations and findings during elections and other key periods. In addition, media and digital platforms are required to disclose the names of sponsors of elections, recall, and referendum advertisements.

4) Between 2018 and 2019, regulation was put in place that enables the punishment of those who disseminate disinformation with malign intent. As discussed above, the penalization of perpetrators, however, requires clear criteria for attribution and accountability. A person may only be punished if the information that is spread is malicious, false, and harmful. Based on this criteria, individual laws have been revised to impose an administrative or criminal fine. The amendments to individual laws concern agricultural products, food administration and safety, disease control, nuclear emergencies, disaster prevention, the criminal code, and the military. In other words, these sectors are considered relevant enough for harmful disinformation to threaten national security.

In effect, state security officials follow a three-step procedure in countering disinformation: 1) immediate clarification, 2) combating the node itself, and 3) proactively attacking and bankrupting CCP credibility. The ultimate aim is to involve as many citizens as possible in this narrative warfare.[73]

The decision to punish a disinformation node is made on the basis of its impact; those that are deemed to have the most impact are punished. Usually the nodes break laws that relate to national security law in general, and particularly the disease law for instance. The breaking of the former leads to the most severe punishment according to the law.

Security officials always aim to publish known cases of disinformation nodes. This has a dual purpose – to educate the public and to deter (threaten) other potential disinformation collaborators. This is performed via official press releases, social media posts, and simply by word of mouth. The system has been found to be simple to implement as well as effective.[74]

The use of civil society

The Taiwanese government recognizes that civil society, through independent verification, can contribute to fact-checking the information that circulates within society. The effort to include civil society is seen to have strengthened Taiwanese democratic resilience, to which end its role has been seen as crucial in deterring misinformation. The findings of the National Communications Commission, for instance, are primarily communicated through the Line social media platform, which is popular for instance in Taiwan, Japan, Thailand, and Indonesia.

The third-party fact-checking organizations in Taiwan operate and cooperate with the government through two types of mechanisms: On the one hand, platforms such as gov.tw encourage citizens to engage in collaboration and work together to identify disinformation and to develop apps such as News Helper and Cofacts Line. On the other, expert consultations take place through other mechanisms such as

73 Source: Interview in Taipei.
74 Source: Interview in Taipei.

the Taiwan FactCheck Center. What is more, together with the Taipei Computer Association, all five major social media platforms active in Taiwan jointly develop self-regulatory principles regarding disinformation, transparency, the management of advertisements, and cooperation with third parties and the government. The principles also stipulate that the self-regulatory practices are reviewed and findings released to the public.

Open data initiatives and civil society organizations such as Cofacts, IORG, Fakenews Cleaner, and Doublethink Lab represent Taiwan's civil society in combating disinformation. Initiatives in the information domain in particular actively produce data and contribute to the situational awareness of Taiwanese society regarding Chinese influence operations. In fact, prior to 2018, no data was publicly available regarding CCP information campaigns in Taiwan.

The use of third-party fact-checkers also relates to Taiwan's authoritarian past: the state is not seen as the most appropriate party for determining what is a fact and what is not. However, to what extent the measures taken are actually building resilience is not a clear-cut issue, even for local experts and policymakers. Research group IORG, in cooperation with US foundations, for instance, is conducting research investigating the effectiveness of civil society fact-checking and other anti-disinformation measures by the state.

That said, the state appears to have adopted a mixed approach towards cooperating with civil society. The KMT, for instance, has largely remained unresponsive to the NGO sector. In addition, many NGOs working on Chinese influence are cooperating more with foreign foundations than the present DPP government. The Taiwanese state cooperation, as well as Western governmental funding, focuses largely on one actor – Doublethink Lab.

The impact of fact-checking civil society actors mainly stems from the networked nature of the community. The community is also very young, and hence there is a need to develop core competences. These pose challenges, however, in terms of public outreach for example. This is also hampered by local partisan politics, where fact-checking is often accused of being biased.

Even though the cooperation between third-party fact-checkers and Taiwanese officials is often heralded as exemplary, there is also frustration within the community towards the Taiwanese Ministry of Defence, for instance. In effect, sentiments of being shut out are expressed.[75]

75 Source: Interview in Taipei.

Conditions for China to achieve desired outcomes

Favourable

Domestic politics is the domain in which CCP NSAs are effectively having an impact. This, however, is largely dependent upon the current political atmosphere. For example, since 2018, the DPP has enjoyed wide public support, while the KMT has been marginalized, especially in national security issues. Should a similar change in the political mood take place, the conditions would become more favourable to the CCP's influence and its NSAs. For this reason, discrediting the current DPP administration is high on the CCP agenda. This also explains why many of its activities are aimed at amplifying existing socio-economic issues.

Another related key factor is the US position vis-à-vis Taiwan. Given that the DPP argues that US-Taiwan relations are at a historic peak, any notable change in US attitudes towards providing security for Taiwan would lead to more favourable conditions for CCP activities.[76] Similarly, should Russia achieve a considerable and clear victory over Ukraine and its Western supporters, this would likely be interpreted in Taiwan as a clear signal of US weakness. It would also create more favourable conditions for CCP NSAs.

Regarding the countermeasures against proxies, the most significant issue remains attribution. In part, this is influenced by the complex political situation in Taiwan, where governmental and non-governmental entities are not able to "lay a finger" on suspected cases. This is often feared to lead to accusations of corruption, partisanship, and directly working on behalf of the government. Consequently, there have been very few cases of Chinese proxies being convicted.

The most significant individual case of conviction of a Taiwanese proxy involves the Chinese security official who escaped to Australia in 2019 to cooperate with local officials. Reportedly, he was revealed to have been involved in organizing United Front Work networks in both Hong Kong and Taiwan. Based on his statement, a local Taiwanese couple were placed in custody, but never convicted due to lack of evidence. The couple were later cleared but to date remain in custody due to suspected money laundering. The case aptly illustrates the difficulties of attribution even if there is strong suspicion.

In the case of disinformation, upgraded legislation has led to punishing (fining) some known cases. Overall, however, the attribution dilemma and local conditions have hampered the punishing of CCP proxies, leading to insufficient deterrence.

Unfavourable

As discussed above, the 2018 local elections and the 2020 presidential elections have constituted a watershed moment for the Taiwanese government and civil society. In both instances, there was concern over CCP influence compromising the legitimacy of election winners and thus the democratic system as a whole. However, while in 2018 CCP influence operations appeared to be successful, in 2020 Taiwanese democratic institutions demonstrated greater resilience.[77] That said, it is also equally likely that either local awareness of CCP influence operations

76 See 'Chinese official bashes U.S. at cross-strait media gathering', Focus Taiwan, December 5, 2019, https://focustaiwan.tw/cross-strait/201905120012.

77 See e.g. Kharis Templeman, 'How Taiwan Stands Up to China', *Journal of Democracy* 31(3), (2020): 85–99.

was higher than previously or that CCP capabilities in Taiwan have been overestimated.

In any case, it seems reasonable to assume that, thus far, the CCP has not been successful in coordinating its policy instruments nor its activities in Taiwan. Instead, the activities seem to have been driven by the efforts of individual entities, most likely following their particular mandates. This has created conditions whereby countering individual actions has been relatively straightforward for Taiwanese officials and non-state actors. If more robust coordination is undertaken by the CCP, it is likely that the synergy of coordinated efforts, instead of isolated cases, would lead to more serious hybrid threat building. That said, due to geographical and cultural proximity, Taiwan does possess strong intelligence capabilities regarding China, which poses challenges for the CCP.

Future developments

In recent years, the traditional United Front Work has been less active in Taiwan. This is due to Covid-19-related travel restrictions preventing paid trips to the mainland, including cultural and political exchange programmes. For this reason, local KMT counsellors have received little support in influencing local people. As a result, Chinese influence can be expected to have a less than significant impact on local elections in the medium term, even if the DPP suffered a defeat in the 2022 unified local elections.

There is also some reason to expect that the traditional United Front tactics will be a less effective tool in the post-Covid setting. Due to the recent events (Pelosi's visit, Chinese military drills around Taiwan and missiles fired by China in response), the local population might be more aware of Chinese influence, including disinformation. Taiwanese politicians who travel to the mainland are likely to face increasing domestic criticism. However, it is difficult at present to judge to what extent the pre-Covid United Front connections will be reinstated post-Covid.

Recent years have witnessed a significant increase in the volume of disinformation and hacking from the mainland through proxies (and otherwise). The volume of collaborators in the influencer sphere has also increased. For fact-checking purposes, the biggest challenges include the attribution dilemma. False positives regarding Chinese NSA proxies do not pose a significant problem in the disinformation domain, which is interesting given the heterogeneity of the local political landscape. Given that election results are easy to interpret, the upcoming elections are important as they form a test bench for influence attribution as well as impact analysis.

In terms of disinformation, it is expected to intensify going into the next elections. At the same time, the recent disinfo events are likely to have increased awareness among the public regarding Chinese operations. The most well-known cases include the narrative of the Taipei arena being filled with dead Covid-19 victims and a PLA destroyer being allowed close to the Taiwanese shore. Narrative warfare is also expected to intensify in the run-up to the elections. Given that this mostly focuses on undermining US capabilities and commitment towards securing Taiwan, it is noteworthy that after the Russian invasion of Ukraine, the confidence of the local public vis-à-vis US interest and ability to safeguard Taiwan decreased considerably. The perception has been that since the US is not ready to place troops on the ground for Ukraine, then it is not willing to do that for Taiwan either. According to expert analysis, trust in the US has duly plummeted. On the other hand, visits by Nancy Pelosi and other US lawmakers have served to reinforce trust among the public.[78]

Another development concerns CCP economic coercion mechanisms. In the past, Chinese economic warfare measures have targeted certain key industries (such as vegetable producers in key constituencies), which in turn have put pressure on the DPP government. The businesses that have been on the receiving end, in other words the victims of Chinese economic

78 Source: Interview in Taipei.

sanctions and bans, are duly becoming more resilient to CCP measures. It is expected that this trend will continue, whereby businesses are finding solutions for themselves, such as new markets for their products.

Targeted businesses becoming more resilient may in turn result in harsher CCP economic coercion. To date, this has largely been symbolic. In the future, and in facing resilience, the CCP may step up economic coercion in areas that potentially harm the economy of both sides.

In addition, the CCP may use intensified lawfare by making businesses choose between Taiwan and the mainland markets. This would bring them under the jurisdiction of the CCP, and would result in more pressure being exerted upon them. Key business actors could also be forced to choose mainland citizenship, transforming individuals into de facto subjects of mainland jurisdiction. This would duly force the Taiwanese DPP government into taking concrete countermeasures, thus risking further escalation.

Due to the poor performance of CCP influence efforts around the 2020 presidential election, as pointed out, some reports discuss the possibility that Beijing came to view the election as a lost cause, thereby not fully committing all available covert resources. Equally plausible is the consideration presented in other reports that the actual resources of the CCP in Taiwan are smaller than generally assumed.[79] Also here, the attribution dilemma hampers final conclusions; the fact that interference operations have stemmed from both official CCP-sanctioned groups and independent amateurs complicates the analysis.[80] In any event, elections provide a barometer for quantifying the impact of narrative warfare.

79 See e.g. 'Taiwan Election: Disinformation as a Partisan Issue', Stanford Internet Observatory Blog, 21 January, 2020.

80 Templeman, 'How Taiwan Stands Up to China'.

Conclusions

The hybrid threat landscape in Taiwan consists of the PLA's "three warfares" approach (legal/psychological/public opinion), an undeclared war of attrition,[81] economic coercion,[82] as well as international isolation.[83] These measures are selective in nature: cultural and civic exchanges with pro-independence actors, for instance, are often frozen, while other cross-Strait social, economic, and political groups are allowed to operate. The condition is that they avoid taking a public stance favouring Taiwanese independence. CCP influence activities are also increasingly malicious and manipulative: they amplify social and political wedges, as well as fabricate and amplify existing conspiracies.[84]

The long-held CCP principle of "peaceful unification" can be seen as a tacit acknowledgement of the current political reality of the growing Taiwanese desire for independence. It also signals a preference for inducement rather than coercion and naked kinetic activity to resolve the conflict. Accordingly, the CCP is likely to prefer to remain in the grey zone between priming and destabilization, rather than use kinetic force, which is costly.

The very existence of Taiwan as a "Chinese democracy" works against CCP strategic narratives of the uniqueness of a Chinese civilization that can be governed only by an authoritarian central state. This is likely to have strengthened the CCP resolve to undermine Taiwanese democracy and local faith in the legitimacy of a democratic system and institutions. Here, the CCP has been relatively successful in shifting the discussion towards a "new normal" and using domestic polarization as a wedge. This is concerning given that the general public in Taiwan are not necessarily committed to a whole-of-society defence approach. Since the Taiwanese state and military are not conducting polling in an organized manner, the extent to which the population is willing to counter Chinese aggression remains unknown.

In any case, the overall aim of the CCP appears to be to create economic dependencies vis-à-vis Taiwan, making the earning of renminbi too important for the Taiwanese business sector, thus forcing a "key constituency" to choose a side. In particular, e-commerce and logistics are key sectors which, if governed by the CCP, would form vulnerabilities for the Taiwanese economy.

Given that Chinese capital uses proxies from Hong Kong, the Taiwanese response requires a systemic approach: in a democracy it is not realistic to impose a total ban on mainland business, but to demand China to comply with Taiwanese regulations. Capital screening from Hong Kong is another key issue: at present the CCP aims at blurring the line between mainland and Hong Kong capital. In the future, foreign portfolio investment (FPI) will remain a loophole for circumventing the investment rules.

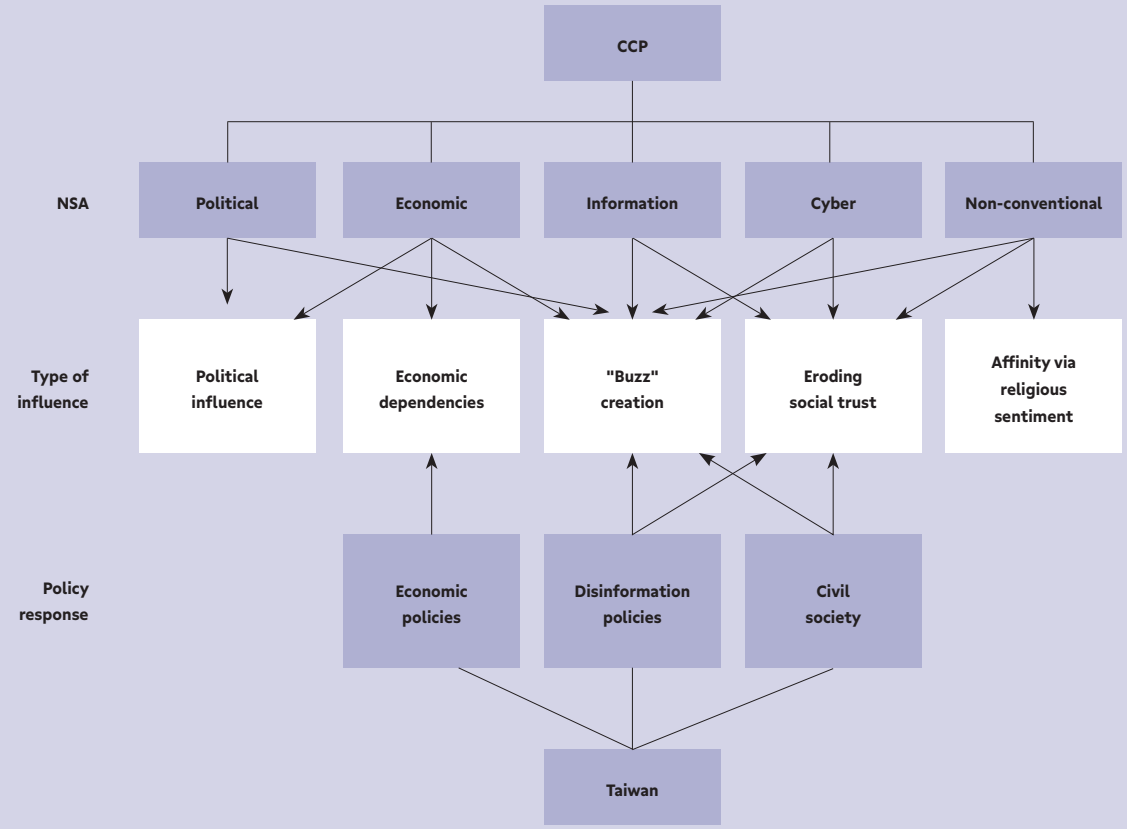
81 See Ben Blanchard, 'Taiwan's armed forces strain in undeclared war of attrition with China', Reuters, September 26, 2020, https://www.reuters.com/article/taiwan-security-idUSKCN26H08Z.

82 See Tim McDonald, 'China and Taiwan face off in pineapple war', BBC March 19, 2021, https://www.bbc.com/news/business-56353963.

83 See Scott W. Harold, Lyle J. Morris, and Logan Ma, 'Countering China's Efforts to Isolate Taiwan Diplomatically in Latin America and the Caribbean: The Role of Development Assistance and Disaster Relief' (Santa Monica, CA: RAND Corporation, 2019), https://www.rand.org/pubs/research_reports/RR2885.html.

84 See Ryan Drillsma, 'Taiwan must respond carefully to changing methods of Chinese coercion: defense expert', *Taiwan News*, April 30, 2019, https://www.taiwannews.com.tw/en/news/3691421.

Figure 1. Impact of NSAs in various domains relative to policy countermeasures



NSA influence and policy countermeasures in Taiwan

Relations between various NSAs, their type of influence, as well as Taiwanese countermeasures at the policy level are shown in Figure 1. In the chart, political influence is understood in the narrow sense. In other words, while all NSAs ostensibly wield political influence, the chart regards political influence as having a direct impact only on the political system itself. Thus, only political NSAs are depicted as having this kind of influence. In reality, political and economic proxies have a larger impact than illustrated in the chart. Concurrently, given that most NSAs also operate in the economic domain, the latter has a larger overall impact than displayed in the chart, which considers direct economic influence only.

Having said that, the chart underlines the centrality of the information domain in NSA-related influence in Taiwan. In effect, all NSAs contribute to the narrative warfare waged by the CCP. While Figure 1 shows the hybrid influence that Chinese NSA actors wield in various domains in Taiwan, it also underlines the challenges of building policy responses in a democratic setting. From the perspective of Taiwan, NSA-related political influence is challenging to counter. In a liberal democracy, different political views form legitimate political discourses. This applies to political opinions supporting reunification with the mainland. At the policy level, and in addition to anti-corruption laws, receiving funding from the mainland, for instance, is prohibited. Equally challenging is countering NSA influence that applies cultural

affinity. This is also a valid sentiment that the mainland proxies exploit.

Generalizations to EU/NATO contexts

Regarding policy recommendations, the bulk of existing literature focuses on the potential of the US to support Taiwan. In short, the role of the US is seen to support the development of Taiwanese asymmetric capabilities. The US could offer advice and direct aid to help with national infrastructure resilience, stockpiles of key materials to deal with a potential blockade, and cyber resilience. The US could furthermore fund a Taiwanese equivalent of "Bellingcat" to monitor open-source intelligence for signs of an invasion or a blockade, as well as other hybrid threat-building. The US is also seen as potentially aiding Taiwan to build a network of state-supported hackers abroad, namely groups that could continue to impose costs on China after an invasion or occupation. These efforts are usually seen to provide responses to a wide spectrum of aggression that remains in the grey zone.

Only a few reports focus on lessons that Western-style democracies can learn from the Taiwanese experience. Therein, the whole-of-society approach is considered to provide best practices replicable in Western-style democracies. In addition to innovation and creativity, a central aspect in the lessons to be learned is the use of humour, empathy, and compassion in creating social cohesion and breaking down societal barriers.[85] This advice, even if well-meaning, may not be a fully accurate depiction of the Taiwanese situation. While the impact of using civil society for fact-checking is undeniable, the successful application of a whole-of-society approach in the case of Taiwan has not come to fruition; in fact, the official use of civil society actors is often seen as a mere sticking plaster, without a real impact.

As noted, the primary modus operandi of the CCP in Taiwan is to pretend to be democratic in order to disrupt democracy. This means that the Party aims at influencing all external opinions on China and the Communist Party itself. The overall aim includes the idea of shifting narratives, attitudes, and perceptions of China itself. In recent years, the CCP has developed more sophisticated tactics in building networks of influence in Taiwan, increasingly applying non-kinetic coercion in an attempt to shape Taiwanese domestic politics. In due course, we can expect this type of behaviour in the transatlantic context as well.

Given the shared cultural heritage and language, the CCP has knowledge about Taiwanese socio-political pressure points. Oftentimes, the CCP lacks such knowledge in the Western context and, in fact, the use of more coercive tactics by the CCP often backfires when exposed. Yet Taiwan has proved that some success can be enjoyed in strengthening local democratic resilience by putting tailored measures in place. For the transatlantic community, this has a twofold implication: on the one hand, the CCP will no doubt gain a better understanding of Western culture and pressure points, while on the other hand, CCP actions can effectively be countered by developing responses and resilience.

85 Daniel Arnaudo, Samantha Bradshaw, Hui Hui Ooi, Kaleigh Schwalbe, Vera Zakem, and Amanda Zink, 'Combating Information Manipulation: A Playbook for Elections and Beyond', White Paper, (Stanford Internet Observatory, 2021).

The CCP has used the mechanism of appealing to social and kinship trust domestically and in Hong Kong, Taiwan, as well as within the diaspora. Outside of the ethnic Chinese context, the mechanism has potential in societies that view social face as significant, but also in those instances where the counterpart has existing political or cultural sympathies towards mainland China. In a similar manner, existing antipathy towards Western powers and institutions such as the US and NATO/EU provides fertile ground for the successful application of this mechanism. Thus far, we have seen indications of this being put to use in Western-style democracies (Australia, Lithuania, Germany, Sweden, Finland). Particularly in Australia, the UK, and Finland, the CCP has targeted politicians whose political standing has been declining, and who have had the motivation to maintain their relevance, even through CCP resources and attention.

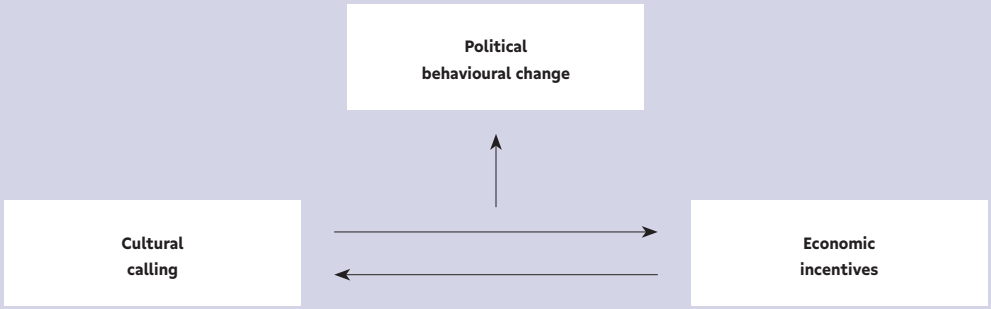
Overall, the CCP has put in place a pressure campaign, including selective measures to influence public opinion in Taiwan to be more open to unification. Interestingly, regarding the 2018 presidential election, the hardline approach adopted by the CCP backfired. While the CCP's long-term aim is to persuade the Taiwanese population to support unification, the short-term influence operation against the current administration and the DPP was counterproductive. Here too, we have witnessed similar developments in Western democracies.

Particular attention should also be paid to the ways in which the CCP uses non-traditional NSAs as state proxies. Organized crime should be of interest to those countries where the Chinese diaspora is large and wields considerable influence. With a long domestic tradition of using criminal actors, it would be illogical of the CCP not to act accordingly in an international setting. Hence, host countries should include the Chinese diaspora in democracy promotion, and avoid alienating ethnic minorities against the mainstream society. It should be noted that attitudes labelling all Chinese diaspora as an agent of the CCP only lead to false positives and serve to legitimize CCP narratives about racist Western societies. In the US in particular, partisan politics may cause false positives and assertions of CCP-backed operations.

At times, CCP information operations appear very crude. There are multiple reasons for this. The CCP may be conducting experiments, they may use proxies that are only loosely associated or not at all, or the purpose of the operation may merely be to showcase power, and to mock and highlight how defenseless their Taiwanese counterparts are. The hacking of the 7-Eleven in-store TV screens in connection with the Nancy Pelosi visit is a case in point. The Mandarin language that was used immediately gave away the source of the intrusion. Given the crude method, it is possible that the purpose was to demonstrate power and capability instead of disseminating false information. In this case too, Western-style democracies should duly take note.

Cultural and language barriers form a natural defence system for most transatlantic countries. For instance, the so-called '50 Cent Army' tactic, whereby state-backed internet

Figure 2. Interpersonal infiltration in Taiwan (Source: IORG)



commentators post pro-China content, is difficult to apply in Western countries given that without local collaborators it is challenging to penetrate the social media sphere. This is unlike in South Korea, where there is a large Chinese diaspora that the CCP uses for local disinformation operations. In effect, the diaspora have local language capabilities that they use to pose as native South Koreans. This natural barrier in transatlantic countries is likely to diminish, however, with the application of more sophisticated AI tools that perform automated translation.

The modified four-tier model for interpersonal infiltration

Existing studies do not offer models for Chinese interpersonal influence in Taiwan. A recent IORG report,[86] however, makes an exception in developing a three-tier model, as shown in Figure 2. The model focuses on cultural calling and economic incentives that impact political behaviour, and it depicts culture and economics as influencing one another.

In the model, cultural and economic incentives both play a key role in CCP interpersonal infiltration. In effect, appeals to social trust and kinship have both cultural and economic features. Economic mechanisms themselves appeal by definition to both; given that Taiwanese business actors share a common culture with the mainland, it is easy for them to operate there, and they are thus keen to gain access to mainland markets. Likewise, appealing to religious sentiment has both cultural and economic aspects in that sharing a common deity is indicative of a common culture, while the organizational aspects of temples provide for economic incentives.

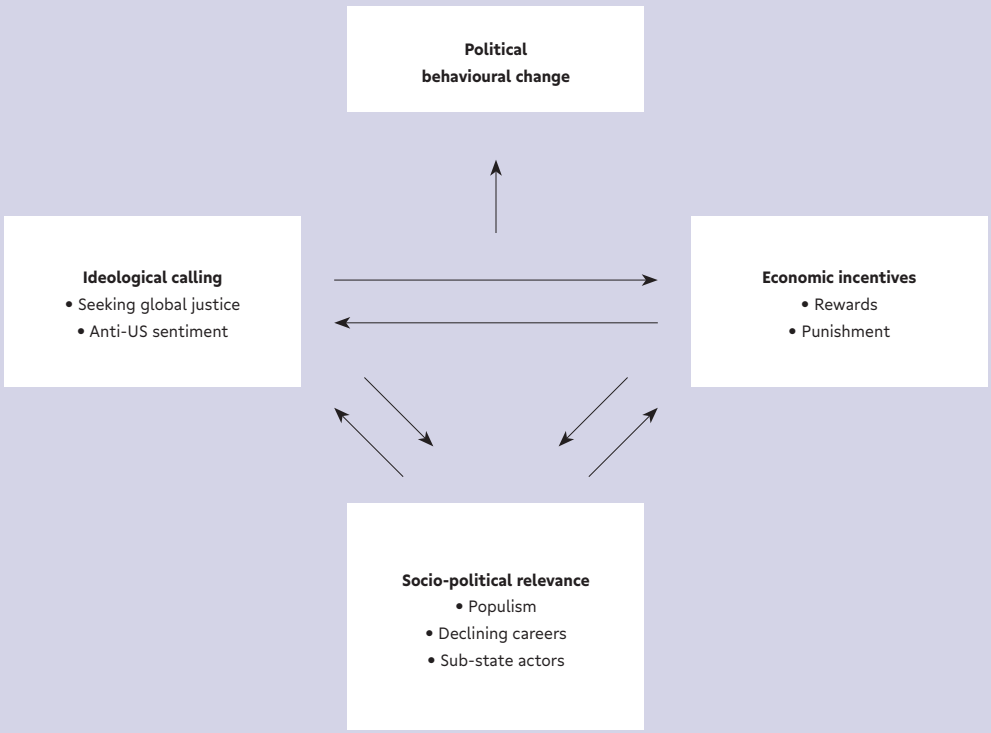
Interestingly, the report notes that change in political behaviour alone should not be the main indicator when considering the effectiveness of CCP interpersonal influence. Instead, the impact should be measured by long-term incremental socio-political change. In the case of Taiwan, this would be a change in societal sentiment towards reunification. In fact, a gradual increase in either of the main components (cultural calling/economic incentives) would lead to increased cultural acceptance and/or economic dependency. This, in turn, would lead to increased political leaning towards reunification with the mainland, whether this is willing (in the case of cultural calling) or unwilling (in the case of economic dependency).[87]

Similarly, in Western democracies, ideological leanings, such as rooting for a more "balanced" world, have created vulnerabilities to foreign influence since the Cold War period. Thus,

86 See https://iorg.tw/_en/r/d.
87 See https://iorg.tw/_en/r/d.

Figure 3 proposes a modified four-tier model for interpersonal infiltration in the transatlantic context, wherein ideological calling, economic incentives, and socio-political relevance influence one another and exert an overall impact on political behaviour.

Figure 3. Interpersonal infiltration in the transatlantic context



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